Regional Skills Assessment
West Region
Summary Report 2019
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>4</td>
</tr>
<tr>
<td>The West Region Economy</td>
<td>10</td>
</tr>
<tr>
<td>Employment in the West Region</td>
<td>16</td>
</tr>
<tr>
<td>Total Labour Market Requirement in the West Region</td>
<td>25</td>
</tr>
<tr>
<td>Supply of People in the West Region</td>
<td>29</td>
</tr>
<tr>
<td>Skills Shortages, Gaps and Challenges in the West Region</td>
<td>32</td>
</tr>
<tr>
<td>Conclusion</td>
<td>38</td>
</tr>
</tbody>
</table>
Regional Skills Assessments (RSAs)

First launched in 2014, the RSA’s purpose is to provide a robust evidence base to support partners in strategic skills investment planning. They have evolved over time based on an independent review carried out in 2015 and feedback from partners.

To ensure an inclusive approach to their development, dissemination and utilisation, RSAs are produced by Skills Development Scotland (SDS) in partnership with Highlands and Islands Enterprise, Scottish Enterprise, Scottish Government, the Scottish Funding Council (SFC), the Scottish Local Authorities Economic Development Group and the South of Scotland Economic Partnership.

RSAs include the use of published data sets. Inevitably, when using published data there is a time lag but the data contained is the most up to date available at the time of writing. The section on the Supply of People in the region is an exception to this rule. Whilst 2018 estimates exist, we have used data for 2016 for consistency with the 2016 based population projections which are the latest available.

RSAs also include forecast data that has been commissioned through Oxford Economics. A number of caveats need to be applied when using forecast data. The Technical Note¹ provides full detail on this but broadly it should be noted that forecasts are based on what we know now and include past and present trends projected into the future. Their value is in identifying likely directions of travel rather than predicting exact figures. The more disaggregated they become, especially at smaller geographical units, the less reliable they are likely to be. Standard occupational classifications (SOC) and standard industrial classifications (SIC) are used to define occupations and industries. ONS has useful SIC² and SOC³ hierarchy tools that can be used to understand the classifications in more detail.

In addition, we provide analysis by Key Sector. Key Sectors are central to our Skills Investment Planning approach. Each Key Sector has a tailored Skills Investment Plan (SIP) which gives a picture of the economic and labour market situation, trends in skills and qualification supply and employers’ perspectives on the big skills issues affecting sector growth. Regional SIPs have also been developed. SIPs and RSIPs are available on the SDS website⁴.

This year’s RSA is in three parts:
1. This report outlining Demand for Skills, Supply of People; and Skills Mismatches;
2. An infographic detailing key data for the area; and
3. A new interactive RSA Data Matrix⁵ that was launched in August 2019 that provides more detailed data.

Finally, in the sections which follow, the numbers and figures in the body of the text are rounded for ease of reference and readability and therefore may differ slightly from:
• The Oxford Economics data in the RSA Data Matrix; and
• The accompanying charts in the report which are also based on the Oxford Economics data.

This RSA report is for the West Region which covers the East Renfrewshire, Inverclyde, Renfrewshire and West Dunbartonshire local authorities.

¹ https://www.skillsdevelopmentscotland.co.uk/what-we-do/skills-planning/regional-skills-assessments/
⁴ SDS, Skills Investment Plans. http://www.skillsdevelopmentscotland.co.uk/what-we-do/skills-planning/skills-investment-plans/
⁵ https://www.skillsdevelopmentscotland.co.uk/what-we-do/skills-planning/regional-skills-assessments/
Introduction
Introduction
We live in a world that is complex and is constantly evolving. Scotland’s businesses and people need the skills, knowledge and capabilities, not just to cope with this change but to thrive in it and influence it.

Scotland’s Economy
The latest ‘State of the Economy’ reported that Scotland’s economy continued its recent pattern of strong performance at the start of 2019 with the unemployment rate falling to record lows and strong growth in exports and output. Output growth increased in the first quarter to 0.5 per cent but this was driven partly due to temporary factors such as stockpiling and firms completing orders in anticipation of the original end March Brexit deadline. Short term outlooks for the economy will be dominated by Brexit uncertainty with the likelihood of subdued growth and the potential for more exposure to downturns in international demand and growth.

Labour productivity grew by 0.5 per cent in Q4 2018 and by 3.8 per cent in 2018 as a whole – its fastest pace of growth since 2010. Whilst positive, Scotland’s ranking among Organisation for Economic Co-operation and Development (OECD) countries is 16th of 37 countries, placing it in the second quartile. This ranking of 16th place has been unchanged since 2007. Scottish Government has the aspiration of improving Scotland’s productivity to match the performance of the top quartile of OECD countries.

Boosting productivity is vital for our long-term prosperity

Scotland’s People
Scotland’s population has grown and is projected to grow in future. National Records of Scotland (NRS) confirms that Scotland’s population in 2018 was 5,438,100 and is expected to grow to 5.58 million in 2026 and to 5.69 million by 2041. This estimate for growth is based on a continuation of EU migration at pre-Brexit levels which is not guaranteed.

Despite this past and projected growth, Scotland is facing an ageing demographic structure. Based on the population in 2016, just under one in five people (18 per cent) were aged 65 and over but by 2041, one in four people (25 per cent) are projected to be in this age group.

If we examine dependency ratios for Scotland’s population this shows a growing dependency ratio at Scotland level and indeed some areas – particularly some of Scotland’s rural areas – having much higher rates of dependency than the national average. At Scotland level, the dependency ratio will increase from 55 per cent in 2016 to almost 70 per cent in 2041. Put simply, for every 100 people of working age there will be 70 people dependent by 2041.

This suggests that the supply of labour might contract over the longer term if projections are realised. This points to a tighter labour market and greater competition for skilled labour in the future. Uncertainty regarding the implications of Brexit also remain, and any decisions taken on the free movement of people could exacerbate this further.

A tight labour market will result in more competition for skilled labour – Brexit could exacerbate this.
Introduction

Although we are seeing record levels in relation to high employment and low unemployment and relative economic prosperity since the recession, not everyone is benefitting equally in this prosperity:

- The gender pay gap for women working full-time in Scotland was 5.7 per cent in 2018.\(^{12}\)
- The unemployment rate was 4.2 per cent for working age people in Scotland, but this increases to 9.9 per cent for 16-24 year olds and to 10.8 per cent for males aged 16-24.\(^{13}\)
- The employment rate for people aged 16-64 was 74.5 per cent, but 57.4 per cent for people from an ethnic minority and 45.9 per cent for disabled people.\(^{14}\)

There are disparities in regional performance across Scotland. Based on an assessment of employment growth, productivity, earnings and unemployment, recovery since the recession has been stronger in Scotland’s urban areas and weaker in rural areas.

Since the recession we have seen a rise in ‘nonstandard’ jobs (such as part time and temporary employment), low wage growth and continued ‘in work’ poverty:

- Self-employment has risen by 22 per cent, compared to one per cent for full-time employment since the recession.\(^{15}\)
- Median weekly earnings (gross) grew by 19 per cent in the five years leading up to the financial crash in 2008. A slower rate of 11 per cent has occurred over the past five years.\(^{16}\)
- More than half a million (550,000) people in Scotland were living in relative poverty (after housing costs) in a household where at least one adult was in paid employment.\(^{17}\)

Both people and place are considerations when working towards a more inclusive labour market.

**Our growth needs to be inclusive**

**Scotland’s Response to the Climate Emergency**

In April 2019, Scotland’s First Minister declared a climate change emergency with targets being set to reduce greenhouse gas emissions to net-zero by 2045. In May 2019, Scotland’s Climate Change Secretary set out Scotland’s response to the climate change emergency including action such as:

- A change in approach to airport departure tax;
- Funding to strengthen the rail freight industry and reduce the amount of freight that travels by road; and
- A new farmer-led initiative to drive low-carbon, environmentally sustainable farming practices.

The Cabinet Secretary for Environment, Climate Change and Land Reform confirmed that Scottish Government will be “placing climate change at the heart of everything we do”\(^{18}\) and this is at the core of the recently published Programme for Government.

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13 Annual Population Survey (April 2018-March 2019)
14 Annual Population Survey (April 2018-March 2019), EA core disabled has been used for the employment rate of disabled people.
All parts of Government will be expected to play a role in achieving these ambitious targets and SDS is to develop a Climate Emergency Skills Action Plan, as outlined in the Programme for Government. The development of appropriate skills will have a significant part to play in enabling this transition to a low carbon economy.

Our growth needs to be sustainable

Scotland’s Resilience
The world of work is constantly changing and the rate of change is rapid. Technological and societal disruptions are occurring at an increasing pace. Whilst we cannot predict the future, we can prepare for a future that is increasingly unpredictable. SDS has developed a Skills 4.0 model that focuses on developing ‘meta-skills’ to equip people with skills in resilience to thrive in a complex and ever-changing world (see Figure 1).

We need skills for resilience to thrive in a complex and ever-changing world
**Issues and Challenges**
A fit for purpose, skilled workforce will be essential to address the challenges facing Scotland (see Figure 2).

The development of skills that are fit for Scotland now and in the future is essential to achieving a high performing, inclusive and sustainable labour market. To meet these challenges, a step change in how we align skills provision to meet labour market demand is planned.

**Figure 2: Drivers for change**

<table>
<thead>
<tr>
<th>Scotland’s Economy</th>
<th>Scotland’s People</th>
<th>Scotland’s Climate Change Emergency</th>
<th>Scotland’s Resilience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boosting productivity is vital for our long-term prosperity</td>
<td>A tight labour market</td>
<td>Our growth needs to be sustainable</td>
<td>We need skills for resilience to thrive in a complex and ever-changing world</td>
</tr>
</tbody>
</table>

**Scotland’s Skills Issues**

- We need innovative workplaces and skills to boost productivity with employers and employees as active participants in the skills system
- We need to maximise Scotland’s indigenous talent and attract new talent to fill jobs in future. We need to enable all of Scotland’s people to share in the nation’s prosperity
- We need to develop fit for purpose skills to enable Scotland to achieve its ambitious target for greenhouse gas emissions
- We need to develop sector specific skills for the economy and skills for resilience – ‘meta skills’

**To support this we will need:**

- Greater flexibility and responsiveness in skills provision to better align with the needs of employers and the Scottish economy
- Investment in upskilling and reskilling throughout individual’s careers to respond to a rapidly changing environment
- More personalised, relevant and flexible work-based pathways

Source: Skills Development Scotland
Scotland’s Skills Alignment Ambition

Skills Alignment (one of the workstreams in the Scottish Government’s Future Skills Action Plan) is focused on improving the skills system in Scotland.

Its purpose is “to ensure that Scotland’s people and businesses are equipped with the right skills to succeed in the economy, not just now but in the future.” To achieve this end, a new joint planning process is in development to align the relevant functions of SDS and the SFC (see Figure 3).

To lead this process a Director of Skills Alignment has recently been appointed and three pilot projects have been established to test approaches in:

- Regions – Glasgow College region; and
- Sectors – Early Years and Child Care and Financial and Professional Services.

Having a robust evidence base is crucial if we are to ensure a fit for purpose skills system. SDS and partners are working to develop evidence on the key strategic issues and challenges for Scotland. This and the evidence contained in the RSAs will help inform Step 1 of this model – the Demand Assessment.

Figure 3: Five-step Skills Alignment model

Source: Skills Development Scotland
The West Region Economy
The West Region Economy

Current Economic Performance
Gross Value Added (GVA) is a measure of the value of goods and services produced in an area and is an indicator of the economy’s health.

GVA in the West Region in 2019 was £8.5bn, six per cent of Scotland’s output (£138.8bn).

This share of GVA ranks the West Region as the seventh largest contributing RSA region to the Scottish economy.

In 2019, the highest value sectors in the West Region were:
- Manufacturing, £1.2bn;
- Real Estate Activities, £1.0bn;
- Wholesale and Retail, £0.8bn;
- Human Health and Social Work, also £0.8bn; and
- Transportation and Storage, £0.7bn.

Past Economic Performance
From 2009 to 2019 the West Region economy, measured by GVA, grew by 1.3 per cent on average each year. This was a slower rate of growth than Scotland, which over the same period experienced 1.4 per cent growth on average each year.

Future Economic Performance
GVA in the West Region is forecast to grow by 1.5 per cent on average each year from 2019 to 2029. This rate of growth is forecast to be below that of Scotland (1.7 per cent) and the UK (2.0 per cent).

Economic growth across Scotland is expected to be relatively modest in the short term, as businesses show their reluctance to invest while operating under Brexit-related uncertainties. Slower GVA growth in Scotland is largely explained by its industrial mix, and specifically, the most dynamic sectors such as high value business services and digital sectors being underrepresented in Scotland compared to the UK.

GVA growth in the West Region is expected to be driven by the dominant Real Estate sector from 2019 to 2029, the GVA produced by the sector is expected to increase by £233.1m. The GVA output from the Real Estate sector is however inflated by owner-occupier imputed rent. Imputed rent captures, economically, the value of the service homeowners are providing to themselves by owning and living in their own home. In addition to Real Estate, sectors forecast to have the greatest increases in GVA output are:
- Administrative and Support Service Activities, £130.3m;
- Wholesale and Retail Trade, £125.2m;
- Human Health and Social Work, £123.5m;
- Professional, Scientific and Technical Activities, £112.4m; and
- Information and Communication, £111.2m.

When compared to GVA output in 2019, it can be seen that three of the sectors that had the greatest GVA output in 2019 are expected to have the greatest actual growth from 2019 to 2029.

In the West Region, Administrative and Support Service Activities is expected to have the greatest rate of GVA growth of 2.6 per cent from 2019 to 2029. Professional, Scientific and Technical Activities is also expected to have a faster rate of growth from 2019, averaging 2.5 per cent each year up to 2029.
Fiscal policy is likely to remain tight over the forecast period and, as a result, will weigh on the economic growth prospects for the Public Sector. Public Administration and Defence Activities is expected to contract by -0.8 per cent each year from 2019 to 2029 in the West Region. However, Education and Human Health and Social Work are forecast to have GVA growth, growing by 0.2 per cent and 1.4 per cent per year over the forecast period respectively (see Figure 4). For Human Health and Social Work, this will be a result of increased demand for these services due to changes in the region’s population structure.

**Figure 4**
Forecast average annual GVA change by Industry (%) (2019 - 2029), West

Source: Oxford Economics
The key sectors contributing most to GVA growth in the West Region from 2019 to 2029 are expected to be Financial and Business Services, Health and Social Care, Digital, Engineering and Construction (see Figure 5). These sectors are expected to have a higher overall contribution to growth as they have a relatively large presence in the regional economy already.

**Figure 5**
**Forecast absolute GVA growth by Key Sector (£m) (2019 - 2029), West**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Growth (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial and business services</td>
<td>£148.3</td>
</tr>
<tr>
<td>Health and social care</td>
<td>£123.5</td>
</tr>
<tr>
<td>Digital</td>
<td>£115.4</td>
</tr>
<tr>
<td>Engineering</td>
<td>£88.2</td>
</tr>
<tr>
<td>Construction</td>
<td>£86.2</td>
</tr>
<tr>
<td>Creative industries</td>
<td>£61.8</td>
</tr>
<tr>
<td>Food and drink</td>
<td>£54.9</td>
</tr>
<tr>
<td>Life sciences</td>
<td>£40.8</td>
</tr>
<tr>
<td>Child-day care activities</td>
<td>£35.6</td>
</tr>
<tr>
<td>Tourism</td>
<td>£26.4</td>
</tr>
<tr>
<td>Energy</td>
<td>£20.0</td>
</tr>
<tr>
<td>Chemical sciences</td>
<td>£10.8</td>
</tr>
</tbody>
</table>

Source: Oxford Economics
Looking instead at percentage change for the key sectors for 2019 to 2029, Child-Day Care Activities is forecast to be the fastest growing. It is forecast to grow 4.0 per cent each year on average. This strong outlook reflects the Scottish Government’s childcare policy to double the number of hours of funded childcare by 2020. However, its small size in absolute terms means that its impact on overall growth is limited.

Relatively fast growth is also forecast in the Creative Industries, Financial and Business Services and Energy sectors. However, like Child-Day Care Activities, with the exception of Financial and Business Services, their overall contribution will be lower due to their smaller size relative to the much larger, dominant key sectors in the region currently (see Figure 6).

**Figure 6**
Forecast average annual GVA growth by Key Sector (%) (2019 - 2029), West

<table>
<thead>
<tr>
<th>Sector</th>
<th>GVA Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child-day care activities</td>
<td>4.0%</td>
</tr>
<tr>
<td>Creative industries</td>
<td>2.2%</td>
</tr>
<tr>
<td>Financial and business services</td>
<td>2.1%</td>
</tr>
<tr>
<td>Energy</td>
<td>2.0%</td>
</tr>
<tr>
<td>Digital</td>
<td>2.0%</td>
</tr>
<tr>
<td>Life sciences</td>
<td>1.8%</td>
</tr>
<tr>
<td>Engineering</td>
<td>1.5%</td>
</tr>
<tr>
<td>Health and social care</td>
<td>1.4%</td>
</tr>
<tr>
<td>Tourism</td>
<td>1.4%</td>
</tr>
<tr>
<td>Construction</td>
<td>1.4%</td>
</tr>
<tr>
<td>Food and drink</td>
<td>1.2%</td>
</tr>
<tr>
<td>Chemical sciences</td>
<td>0.7%</td>
</tr>
</tbody>
</table>

Source: Oxford Economics
Productivity
Productivity is the measure of goods and services produced per unit of labour input. Productivity has been calculated by dividing total regional GVA by total regional employment (measured by jobs).

The productivity of a region is influenced by the industrial mix that is present. Within the same industries productivity may differ from business to business.

Office for National Statistics (ONS) analysis tells us that:

GVA per worker [productivity] is generally lower in the accommodation and food service activities, administrative and support services activities, and wholesale and retail trade industries than in most other industries. The production sector, by contrast, has relatively high productivity.

Among the service sectors, the professional, scientific and technical activities, financial and insurance activities, and the information and communication sector also tend to have relatively high-productivity. Therefore, a relatively high aggregate productivity in a region may sometimes be a reflection of a relatively large share of more productive industries in that location.

In 2019, productivity in the West Region was £47,000. This was lower than the Scottish average of £50,400 (see Figure 7).

From 2009 to 2019, productivity in the West Region grew by 1.0 per cent on average each year. This rate of growth was slower than what occurred across Scotland. Average annual productivity growth across Scotland was 1.3 per cent over the period. The equivalent for the UK was 0.8 per cent.

Productivity in the West Region is forecast to grow at an average of 1.3 per cent per year from 2019 to 2029. This is below the growth rate expected for Scotland as a whole (1.4 per cent), and below that of the UK (1.5 per cent).

Figure 7
Productivity (2019)

Source: Oxford Economics
Employment in the West Region
Employment in the West Region

Current Employment

Total employment in the West Region (measured by jobs) was estimated to be 180,700 in 2019, seven per cent of Scottish employment.

The employment rate for the working age population (aged 16-64) in the West region was 74.2 per cent, which was below the rate for Scotland (74.5 per cent). Compared to Scotland, the region had below average employment rates for:

- Young people (aged 16-24), 54.6 per cent compared to 58.3 per cent;
- Males, 76.8 per cent compared to 78.1 per cent; and
- Disabled people21, 43.9 per cent compared to 45.9 per cent.

The employment rate for females was higher in the West Region compared to Scotland, 71.8 per cent compared to 71.1 per cent. The employment rate was also higher for ethnic minorities in the West Region compared to Scotland, 58.0 per cent compared to 57.4 per cent22.

The region’s overall employment rate means that over one in four of the region’s working age population were unemployed (4.8 per cent) or economically inactive (22.0 per cent)21. Inactivity includes people who are studying, retired or looking after their family or home.

Across Scotland and within the region full-time jobs were most numerous. 121,100 jobs (67 per cent) were full-time in the West Region in 2019. This was a lower percentage share compared to Scotland where 68 per cent of jobs were full-time. Within the region over three fifths of full-time jobs (75,900 jobs; 63 per cent) were held by males, and the remaining 37 per cent were held by females (45,200 jobs).

Part-time jobs accounted for a greater percentage share of employment in the region compared to Scotland, 33 per cent compared to 32 per cent. Overall there were 59,600 part-time jobs in the West Region, females accounted for more than three quarters (45,700 jobs; 77 per cent). Whilst males accounted for 23 per cent, 13,900 part-time jobs (see Figure 8).

Figure 8

Employment by gender and full-time/part-time (2019), West

<table>
<thead>
<tr>
<th>Gender</th>
<th>Full-time</th>
<th>Part-time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>75,900</td>
<td>13,900</td>
</tr>
<tr>
<td>Female</td>
<td>45,700</td>
<td>45,200</td>
</tr>
</tbody>
</table>

Source: Oxford Economics

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21 Equalities Act (EA) Core Disabled
22 Employment rate figures from Annual Population Survey, April 2018 – March 2019
23 Employment rate, unemployment rate and economic inactivity rate may not sum to 100 due to rounding.
In the West Region, the largest employing sectors, and their regional share of employment, in 2019 were (see Figure 9):

- Human Health and Social Work, 16 per cent;
- Wholesale and Retail Trade, 15 per cent;
- Administration and Support Service Activities, nine per cent;
- Education, eight per cent; and
- Manufacturing, also eight per cent.

**Figure 9**

Employment by Industry and share of total employment (2019), West

Source: Oxford Economics
Large sectors are an important source of jobs, however regions also have sectoral strengths that make them unique. It means that smaller sectors can be more important than their size suggests as they are more concentrated in the region compared to the national average. In the West Region, Transportation and Storage was the greatest specialism with employment in this sector 1.4 times greater than the Scottish average. Other sectors that had above average concentrations in the West Region were Administrative and Support Service Activities, Other Service Activities and Manufacturing (each 1.2 times more concentrated).

Of the key sectors, Health and Social Care, as might be expected given the sectoral insight above, was the largest in the West Region in 2019. The sector accounted for 28,400 jobs. Construction was the second largest with a total of 13,500 jobs (see Figure 10).

**Figure 10**
Employment by Key Sector and share of total employment (2019), West

<table>
<thead>
<tr>
<th>Sector</th>
<th>Jobs</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health and social care</td>
<td>28,400</td>
<td>16%</td>
</tr>
<tr>
<td>Construction</td>
<td>13,500</td>
<td>7%</td>
</tr>
<tr>
<td>Financial and business services</td>
<td>13,200</td>
<td>7%</td>
</tr>
<tr>
<td>Tourism</td>
<td>11,600</td>
<td>6%</td>
</tr>
<tr>
<td>Engineering</td>
<td>9,800</td>
<td>6%</td>
</tr>
<tr>
<td>Digital</td>
<td>5,900</td>
<td>3%</td>
</tr>
<tr>
<td>Creative industries</td>
<td>4,900</td>
<td>3%</td>
</tr>
<tr>
<td>Child-day care activities</td>
<td>3,300</td>
<td>2%</td>
</tr>
<tr>
<td>Food and drink</td>
<td>2,600</td>
<td>1%</td>
</tr>
<tr>
<td>Life sciences</td>
<td>2,000</td>
<td>1%</td>
</tr>
<tr>
<td>Chemical sciences</td>
<td>1,200</td>
<td>1%</td>
</tr>
<tr>
<td>Energy</td>
<td>1,000</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Source:</strong> Oxford Economics</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Sectors tell us about the industries that people work in, and occupations provide insight on the type of jobs people do. In 2019, two fifths of all occupations (40 per cent) in the West Region were ‘higher level’, 32 per cent were ‘mid-level’ and 28 per cent were ‘lower level’. Compared to Scotland, the occupational structure of the West Region had a greater percentage of the workforce in ‘mid-level’ occupations and fewer elsewhere. Scotland had a greater percentage in ‘higher level’ (45 per cent) and ‘lower-level’ (30 per cent) occupations but fewer in ‘mid-level’ (25 per cent) occupations.

A detailed look at the occupational structure shows that the largest occupations in the region in 2019 were (see Figure 11):

- Caring Personal Service Occupations, 11 per cent;
- Clerical and Services Elementary Occupations, ten per cent;
- Administrative Occupations, eight per cent; and
- Sales Occupations, seven per cent.

![Figure 11](image-url)

**Figure 11**

Employment by occupation and share of total employment (2019), West

Source: Oxford Economics
Past Employment
Employment in the West Region increased by 2.8 per cent from 2009 to 2019. This was largely caused by growth in prominent, large employing sectors including:
- Professional, Scientific and Technical Activities, 2,800 jobs,
- Wholesale and Retail Trade, 2,700 jobs; and
- Administrative and Support Service Activities, 1,000 jobs.

Whilst these sectors experienced job growth, other sectors contracted. The greatest absolute decline occurred in the Human Health and Social Work sector in the West Region. Compared to 2009, there were 900 fewer jobs in the sector in 2019. Decline also occurred in Manufacturing (-800 jobs) and Arts, Entertainment and Recreation (-500 jobs).

Beyond the sectors, other shifts in the region’s labour market have occurred. Part-time employment and full-time employment increased by 4,700 jobs 300 jobs respectively from 2009 to 2019. Male and female employment also increased during this period by 1,900 jobs and 3,000 jobs respectively.

Employment Forecast
The employment growth that has occurred in The West Region in the past is forecast to continue. From 2019 to 2029 employment growth of 2.2 per cent is forecast in the region. This equates to 0.2 per cent employment growth year to year, and 4,000 jobs in total over the forecast period. Compared to Scotland, this is a slower rate of growth. A three per cent increase in employment, or 0.3 per cent growth annually, over the forecast period is expected for Scotland. The growth rate for the UK is expected to be greater than Scotland and the West Region, a five per cent increase, or 0.5 per cent annual change, is forecast.

The employment forecast for the local authorities within the West Region shows a positive outlook. East Renfrewshire and Renfrewshire are forecast to have a net increase in the number of jobs over the forecast period (0.6 per cent and 0.3 per cent increase respectively). Inverclyde and West Dunbartonshire are forecast to have no change to 2029.

Over the period to 2029, full-time employment is expected to increase in the West Region with 2,400 more full-time jobs in 2029 compared to 2019. Both male and female full-time employment is expected to increase, by 1,200 and 1,100 jobs respectively. Part-time employment is also expected to increase by 1,600 jobs. Female part-time employment is forecast to increase by 900 jobs, as well as male part-time employment which is forecast to increase by 800 (see Figure 12).

Figure 12
Forecast employment change, by gender and full-time/part-time (2019 - 2029), West

<table>
<thead>
<tr>
<th>Gender</th>
<th>Full-time</th>
<th>Part-time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>1,200</td>
<td>800</td>
</tr>
<tr>
<td>Female</td>
<td>1,100</td>
<td>900</td>
</tr>
</tbody>
</table>

Source: Oxford Economics

Figures are rounded to the nearest 100 and as a result totals may not equal the sum of the constituent parts.
Although employment is forecast to increase in the West Region from 2019 to 2029, sectors will have varying performance. The greatest growth in jobs is forecast in Administration and Support Service Activities, with 2,300 more jobs expected in the sector by 2029 compared to 2019. Other sectors forecast to have growth in excess of 1,000 over the forecast period are Construction (1,300 jobs) and Professional, Scientific and Technical Activities (1,200 jobs).

Job losses in the West Region are also forecast in some sectors, notably in production sectors and the public sector. Manufacturing is the sector forecast to have the greatest number of job losses from 2019 to 2029. During the forecast period a decline of 2,200 jobs is anticipated. This reflects the general trend of more capital intensive and higher value-added activity in the sector, which requires less labour-intensive methods (see Figure 13).

Employment is also forecast to fall overall in the West Regions’ public services sector25 with Public Administration and Defence forecast to contract by 1,200 jobs over the forecast period due to continued pressure on public finances. The Education sector is forecast to have no change in employment from 2019 to 2029. However, Human Health and Social Care is expected to grow, the sector is forecast to have 900 more jobs in 2029 compared to 2019.

25 Comprising Public administration and defence, Education, and Human health and social work.

Source: Oxford Economics
The growth and contraction of employment by sector means that private services\textsuperscript{26} are expected to account for a larger share of jobs in the West Region over the forecast period. The percentage is forecast to rise from 55 per cent in 2019 to 56 per cent in 2029. The Construction sector is also forecast to increase from six per cent to seven per cent over the forecast period. In 2019 Primary Industries accounted for one per cent of employment and this share is expected to be maintained in 2029. The share that the public services and Manufacturing sectors each account for is expected to decline (by one percentage point and two percentage points respectively) over the forecast period to 29 per cent and six per cent in 2029.

Looking ahead, the outlook for the key sectors largely echoes the broad sector trends summarised above – with Construction forecast to have the greatest growth (1,400 jobs). Child-Day Care Activities is forecast to have growth second only to Construction, growing by 1,200 jobs from 2019 to 2029 in the West Region.

A number of other key sectors will experience growth over the forecast period, including:
- Health and Social Care, 900 jobs;
- Financial and Business Services, 800 jobs;
- Tourism, 600 jobs;
- Creative Industries, 100 jobs; and
- Digital, also 100 jobs.

Engineering is the key sector forecast to have the greatest employment decline in the West Region, with 500 fewer jobs in 2029 compared to 2019 expected (see Figure 14).

\textsuperscript{26} N.B. ‘private services’ comprise the following sectors: wholesale and retail trade; transportation and storage; accommodation and food services; information and communication; financial and insurance activities; real estate activities; profess., scientific and technical activities; administrative and support services; arts, entertainment and recreation, and other service activities.

\begin{figure}
\centering
\includegraphics[width=\textwidth]{figure14}
\caption{Forecast employment change by Key Sector (2019 - 2029), West}
\end{figure}
By occupation, Caring Personal Service Occupations are forecast to experience the greatest increase in employment in the West Region from 2019 to 2029 (of 800 workers). Growth in these occupations is closely related to the forecast rise in employment in the Health and Social Care sector. An additional 500 workers are expected to be required in Clerical and Services Elementary Occupations, driven by growth across a number of sectors. Other occupations anticipated to have an increase that is relatively large for the region include:

- Corporate Managers, 400 workers;
- Business and Public Service Associate Professionals, also 400 workers;
- Skilled Construction and Building Trades, 300 workers;
- Managers and Proprietors in Agriculture and Services, 300 workers; and
- Health Professionals, 300 workers.

Occupations likely to contract over the next decade tend to be those most closely associated with Public Administration and Defence and Manufacturing, reflecting the declining numbers of jobs in each of these sectors. Examples include Administrative Occupations (-500 people) and Skilled Metal and Electrical Trades (-300 people) (see Figure 15).
Total Labour Market Requirement in the West Region
Total Labour Market Requirement in the West Region

Total Requirement

In the previous sections we presented what has happened, is happening and what is forecast to happen in the West Region economy and labour market. When looking at the labour market, we have until this section focused on how many jobs there will be in any given year and how that compares to another year. However, the labour market is more complex than this.

In this section, we provide greater insight on job openings\(^{27}\). To do this we consider the jobs that will be created or lost due to expansion or contraction in the labour market and the jobs that will arise due to people leaving the labour market. People leave the labour market and jobs become vacant for a variety of reasons, retirement being the most common cause. This is called the replacement requirement.

In the West Region, 80,500 job openings are forecast from 2019 to 2029. In the region, and as shown in the previous chapter, 4,000 jobs are forecast to be created in the West Region from 2019 to 2029 due to expansion in the labour market. A further 76,500 job openings will arise due to the replacement requirement.

These opportunities are expected to be concentrated in a small number of sectors, with four sectors in the West Region forecast to account for more than three fifths (61 per cent) of the requirement. These are (see Figure 16):

- Wholesale and Retail Trade, 17,700 jobs;
- Administrative and Support Service Activities, 13,300 jobs;
- Human Health and Social Work, 9,100 jobs; and
- Transportation and Storage, also 9,100 jobs.

Job openings can be full or part time and the job openings forecast could be higher or lower in reality. Please note that throughout this section totals may not equal the sum of constituent parts due to rounding.
Figure 16
Forecast net requirement by Industry (2019 - 2029), West

<table>
<thead>
<tr>
<th>Industry</th>
<th>Expansion</th>
<th>Replacement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholesale and retail trade</td>
<td>400</td>
<td></td>
</tr>
<tr>
<td>Administrative and support service activities</td>
<td>2,300</td>
<td></td>
</tr>
<tr>
<td>Human health and social work</td>
<td>900</td>
<td></td>
</tr>
<tr>
<td>Transportation and storage</td>
<td>200</td>
<td></td>
</tr>
<tr>
<td>Accommodation and food service activities</td>
<td>400</td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>1,300</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>600</td>
<td></td>
</tr>
<tr>
<td>Arts, entertainment and recreation</td>
<td>1,200</td>
<td></td>
</tr>
<tr>
<td>Public administration and defence</td>
<td>-2,200</td>
<td></td>
</tr>
<tr>
<td>Professional, scientific and technical activities</td>
<td>-1,200</td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>440</td>
<td></td>
</tr>
<tr>
<td>Water supply; sewerage and waste management</td>
<td>3,200</td>
<td></td>
</tr>
<tr>
<td>Agriculture, forestry and fishing</td>
<td>-100</td>
<td></td>
</tr>
<tr>
<td>Other service activities</td>
<td>200</td>
<td></td>
</tr>
<tr>
<td>Information and communication</td>
<td>300</td>
<td></td>
</tr>
<tr>
<td>Real estate activities</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Electricity, gas and steam</td>
<td>200</td>
<td></td>
</tr>
<tr>
<td>Mining and quarrying</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Financial and insurance activities</td>
<td>-200</td>
<td></td>
</tr>
</tbody>
</table>

Source: Oxford Economics

Please note that due to rounding, data in Figure 16 may differ to the narrative on page 26.
To fill these jobs, and others, there is a forecast requirement for 64,400 people in the region from 2019 to 2029. The difference between the people and job requirements is due to some people having more than one job, for example someone who has two part-time jobs. The number of people working in the West Region is expected to increase by 2,400 over the forecast period. There will also be a replacement requirement of 62,000 people.

By occupation, the greatest number of people are forecast to be required in (see Figure 17):

- Clerical and Service Elementary Occupations, 10,200 people;
- Sales Occupations, 7,800 people;
- Caring Personal Service Occupations, 6,900 people;
- Teaching and Research Professions, 6,400 people; and
- Corporate Managers, 3,800 people.

![Figure 17](chart.png)

**Figure 17**

*Forecast net requirement by occupation (2019 - 2029), West*

Source: Oxford Economics
Supply of People in the West Region
Supply of People in the West Region

Projection of Total Population

NRS produce population estimates for Scotland biennially. Their 2016 based forecasts cover the period up to 2041, so in this chapter we present a longer forecast period than the previous chapters.

In 2016, the population of the West Region was 438,800, eight per cent of Scotland’s population.

By age, the largest group in the West Region were people of working age (16-64 years). There were 278,200 people in this age group, 63 per cent of the region’s population. Whilst it was the largest group, people of working age across Scotland accounted for a larger share of the population overall (65 per cent).

The number of people of working age compared to those of non-working age has implications for the region’s dependency ratio. The dependency ratio is important when considering the demand for public services, for example schools and healthcare services, and the funds available to provide these services, the income from taxes and National Insurance. In 2016, the dependency ratio in the West Region was 58 per cent. This means that for every 100 people of working age, there were 58 people of non-working age. Across Scotland it was 55 per cent.

Of those who were in age groups thought to be dependent, the oldest age group was the largest. There were 83,400 people aged 65 or older who accounted for 19 per cent of the region’s population. Across Scotland those aged 65 or older accounted for 18 per cent of the population, which suggests an overall older population the West Region. The region accounts for eight per cent of Scotland’s population aged 65.

Children and young people (0-15 years) accounted for the remaining 18 per cent, there were 77,200 individuals in this age group (see Figure 18).

Figure 18
Population by age (2016), West and Scotland

<table>
<thead>
<tr>
<th>Age Group</th>
<th>West</th>
<th>Scotland</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-15</td>
<td>18%</td>
<td>17%</td>
</tr>
<tr>
<td>16-64</td>
<td>63%</td>
<td>65%</td>
</tr>
<tr>
<td>65+</td>
<td>19%</td>
<td>18%</td>
</tr>
</tbody>
</table>

Source: National Records of Scotland
Brexit has placed an increased focus on the nationality of people living and working in the UK. It has the potential to discourage EU migrants from coming to the UK to live and work, either through choice or eligibility. Migration is important to Scotland as without it the population would be declining. In the West Region, there were 10,000 people who were born in the EU and a further 12,000 from the rest of the world in 2018. The EU born population accounted for two per cent of the region’s population, and three per cent of the region’s population were born elsewhere in the world. Compared to Scotland a smaller percentage of the region’s population were born in the EU or elsewhere in the world. Across Scotland four per cent of the population were born in the EU, and four per cent were born in other countries outside of the EU.

From 2016 to 2041, the population of the West Region is projected to grow by approximately 10,100 people. Equating to a two per cent increase, this is lower than the projected growth rate for Scotland of five per cent over the same period.

The age structure of the region’s population is projected to change over the coming decades, with the percentage of the population who are of working age expected to fall from 63 per cent in 2016 to 57 per cent in 2041; a projected decrease of 23,000 people.

The largest increases are expected in the 65 or older age groups, with a 75 per cent increase projected for those aged 75+ (an additional 28,300 people) and 11 per cent among those aged 65-74 (an additional 4,800 people). There is a forecast decline in all other age groups over the period, with the most substantial decline of eight per cent projected for those aged 16-19 and 30-64 (a projected fall of 5,800 and 17,200 people respectively).

These shifts suggest that the region could have a larger and generally older population by 2041. This has implications for the region’s dependency ratio. Brexit may also affect the population structure and exacerbate any challenges. By 2041, the region’s dependency ratio is expected to increase to 76 per cent. Ranging across the region from 72 per cent in Renfrewshire to 83 per cent in Inverclyde. Across Scotland the dependency ratio is expected to rise to 70 per cent (see Figure 19).
Skills Shortages, Gaps and Challenges in the West Region
Skills Shortages, Gaps and Challenges in the West Region

The Employer Skills Survey (ESS) gathered information on the skills challenges that employers encountered when recruiting, and any challenges that they had within their existing workforces. It is the primary source for this insight as it has taken a consistent approach across sectors and regions. The survey covered:

- Recruitment and skill-shortage vacancies;
- Skills gaps in the existing workforce;
- Skills under-utilisation;
- Upskilling - the need for staff to acquire new skills or knowledge;
- Training and workforce development; and
- High Performance Working practices.

The insight presented here is from the 2017 ESS which covered Scotland, England, Wales and Northern Ireland. The next ESS will be published in 2020 and unlike previous years, Scotland’s results will be published by the Scottish Government. Future ESS results for England, Wales and Northern Ireland will still be available and will be published by the UK Government.

Skills Shortages

Skills shortages are challenges that arise when employers are recruiting but are unable to find applicants with the required skills. When a vacancy cannot be filled due to a shortage of skills it is a skill-shortage vacancy (SSV). SSVs impact on the workplace and workforce in a number of ways, including:

- Increasing the workload for other staff;
- Creating difficulties when trying to meet customer service objectives; and
- Increasing operating costs.

In 2018, skills shortages were estimated to have cost Scottish employers £361.3million, roughly £17,000 per organisation\(^{28}\).

To understand the scale of the challenge that they present we can consider their incidence (how many employers are experiencing the challenge) and their density (how many vacancies are affected).

In 2017, the percentage of employers reporting at least one SSV in the West Region was nine per cent, compared to six per cent for Scotland. This suggests a challenge that extends further across the region’s labour market compared to Scotland’s. The incidence of SSVs in the region was lower in 2015 (seven per cent), whereas across Scotland the incidence of SSVs has remained the same (six per cent) from 2015 to 2017.

Density, which indicates how many vacancies were SSVs, was higher in the West Region than Scotland in 2017 and 2015. In 2017, density in the region was 31 per cent, up from 29 per cent in 2015. Across Scotland, density was 24 per cent in 2015 and 2017. This suggests that employers in the region are facing difficulties across a number of roles, with greater challenges than employers across Scotland (see Figure 20).
Across Scotland, to overcome SSVs, the most common responses employers took were to:

- Increase their expenditure on advertising and recruitment;
- Use new recruitment methods; and
- Redefine existing jobs.

Skills are not the only reason employers can find it difficult to fill vacancies. Other factors like hours and location, can make it hard to fill vacancies. In the West Region, 27 per cent of employers tried to recruit non-UK nationals to overcome hard to fill vacancies, compared to 41 per cent across Scotland. Across Scotland, most employers (89 per cent) who sought to recruit non-UK nationals considered EU nationals. Equivalent data for The West Region is not available however any changes to migration policy as a result of Brexit will affect all regions in Scotland.

Most employers took action to overcome SSVs, however 11 per cent of Scottish employers in 2017 took no action.

**Source:** Employer Skills Survey
Skills Gaps
Skills gaps arise when existing employees are not fully proficient as they do not have all the skills necessary for their role—these can be people, personal, practical and/or technical skills. Similar to skills shortages, we consider the incidence (how many employers have at least one person not fully proficient) and density (how many employees are not fully proficient). Skills gaps have similar impacts to SSVs and can slow down innovation in the workplace. Across Scotland, the most common causes of skills gaps were:

- Employees being new to their role, or training being incomplete;
- A lack of staff motivation; and
- An inability to recruit staff with the required skills, creating a need to upskill employees/recruits.

In 2017, the percentage of employers who reported a skills gap in at least one employee was 19 per cent in the West Region, compared to 16 per cent for Scotland. Since 2015, the incidence of skills gaps in the region has increased. In 2015, 12 per cent of employers in the West Region experienced a skills gaps—which was less than Scotland (13 per cent).

Overall, 6.7 per cent of the workforce in the West Region had a skills gap in 2017. This was an increase from 3.3 per cent in 2015, and above the Scottish rate of 5.0 per cent in 2017 and 4.9 per cent in 2017. This, alongside the insight on incidence, suggests a greater percentage of employers in the region experience skills gaps and also have a greater concentration of skills gaps within their workforce (see Figure 21).

Across Scotland employers responded to skills gaps by:

- Increasing their expenditure on training, expanding trainee programmes and/or increasing training activity;
- Implementing more staff supervision; and
- Implementing a mentoring or buddy scheme.

### Figure 21
Skills Gaps (2015 and 2017), West

<table>
<thead>
<tr>
<th>Percentage of employers with a Skills Gap</th>
<th>Percentage of the workforce with a Skills Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>12%</td>
<td>3.3%</td>
</tr>
<tr>
<td>19%</td>
<td>6.7%</td>
</tr>
</tbody>
</table>

Source: Employer Skills Survey
Most employers in the West Region acted to overcome skills gaps, and 14 per cent sought to recruit non-UK nationals as a response, compared to 15 per cent across Scotland. Across Scotland, most employers (93 per cent) who sought to recruit non-UK nationals considered EU nationals equivalent data for the West Region is not available.

Most employers took action to overcome SSVs, however 15 per cent of Scottish employers took no action in 2017.

**Skills Under-Utilisation**

Employees are under-utilised if they have skills and qualifications more advanced than what is needed for their role. Addressing skills under-utilisation is important. In 2012 the economic cost to the UK of skills under-utilisation was estimated to be between £12-25bn. If skills-utilisation was on a par with the levels observed in Germany or France, UK GDP would be £5-9bn higher\(^29\). There are implications for individuals too, having their skills under-utilised can impact on their income, health and wellbeing\(^30\).

Similar to SSVs and skills gaps we can understand the incidence (how many employers have under-utilised employees) and density of the challenge (how many employees are under-utilised).

The number of employers reporting skills under-utilisation in their workforce was higher in the West Region in 2017 compared to Scotland, 41 per cent compared to 35 per cent. This suggests that more than two fifths of employers in the region had skills and talent going unused. The percentage of employers reporting skills mismatch has risen and skills under-utilisation increased in the region and across Scotland from 2015 to 2017, from 35 per cent and 32 per cent respectively.

The proportion of staff under-utilised has declined in the region, from 10.0 per cent in 2015 to 7.1 per cent in 2017. This suggests that whilst more employers in the region are experiencing skills under-utilisation, in general the number of their employees under-utilised has declined. Across Scotland, the percentage of staff under-utilised increased from 7.9 per cent to 9.2 per cent which suggests a skills challenge that is present in the region and growing across Scotland (see Figure 22).

![Figure 22](https://example.com/figure22.png)

**Figure 22**

Skills Under-Utilisation (2015 and 2017), West

Source: Employer Skills Survey

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Upskilling
Skills are gained throughout life, and a need to upskill can arise due to:
- New legislative or regulatory requirements;
- The introduction of new technologies, equipment or working practices;
- Increased competitive pressure;
- The development of new products and services; and more recently
- The UK’s decision to leave the EU.

A need to upskill employees in the next 12 months was anticipated by 72 per cent of employers in the West Region (as of 2017). This was higher than the percentage of employers across Scotland who anticipated a need to upskill (69 per cent). Within the region, operational skills were the most commonly mentioned development area (50 per cent). The need to upskill complex analytical skills was higher in the region compared to Scotland (47 per cent compared to 44 per cent), whilst the expected need to upskill digital skills was lower (34 per cent compared to 49 per cent) (see Figure 23). The evidence suggests that more employers in the West Region expected to upskill their workforce in the next twelve months compared to employers across Scotland.

Figure 23
Employers anticipating a need to upskill by type of skill (2017), West and Scotland

<table>
<thead>
<tr>
<th>Skill Type</th>
<th>West</th>
<th>Scotland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complex analytical skills</td>
<td>47%</td>
<td>44%</td>
</tr>
<tr>
<td>Operational skills</td>
<td>50%</td>
<td>57%</td>
</tr>
<tr>
<td>Digital skills</td>
<td>34%</td>
<td>49%</td>
</tr>
</tbody>
</table>

Source: Employer Skills Survey
Conclusion
Conclusion

In 2019 the West Region made a GVA contribution to the Scottish economy of £8.5bn, six per cent of Scotland’s output (£138.8bn). Looking ahead, the economy is forecast to grow by 1.5 per cent on average each year up to 2029. This rate of growth would be slower than what is forecast across Scotland, and slower than the rate of growth that occurred within the West Region from 2009 to 2019. The forecast however reflects a point in time and the high levels of economic uncertainty could change the outlook.

Total employment in the West Region (measured by jobs) was estimated to be 180,700 in 2019, seven per cent of Scottish employment. Employment in the region increased from 2009 to 2019, and the forecast suggests that growth will continue in the future from 2019 to 2029. The three sectors forecast to have the greatest jobs growth are:

- Administrative and Support Service Activities, 2,300 jobs;
- Construction, 1,300 jobs; and
- Professional, Scientific and Technical Activities, 1,200 jobs.

As the region’s share of Scotland’s employment was higher in 2019 than its share of GVA productivity performance was below average. Productivity was £47,000 in the West Region compared to £50,400 across Scotland.

The employment growth forecast will create 4,000 new jobs in the region and the need to replace workers leaving the labour market will create further 76,500 opportunities. Vacancies arising due to the replacement requirement far outweigh those created by growth.

To fill these jobs, and others, there is a forecast requirement for 64,400 people in the region from 2019 to 2029. The difference between the people and job requirements is due to some people having more than one job, for example someone who has two part-time jobs.

By occupation, the greatest number of people are forecast to be required in:

- Clerical and Service Elementary Occupations, 10,200 people;
- Sales Occupations, 7,800 people;
- Caring Personal Service Occupations, 6,900 people;
- Teaching and Research Professions, 6,400 people; and
- Corporate Managers, 3,800 people.

Whilst there will be demand for people to fill jobs, the population projection suggests that the West Region could have a larger and generally older population by 2041. This presents a number of challenges:

- Skills challenges could be exacerbated by a deficit of talent, created due to the growth of people reaching retirement age and the decline of the working age population;
- Pressures on public finances and services could increase due to a growing dependency ratio, the region’s dependency ratio is expected to reach 76 per cent by 2041, up from 58 per cent in 2016; and
- Migration has been a driver of population growth across Scotland and an important source of skilled labour. In the region, five per cent of the region’s population were born outside of the UK, and changes to migration policy arising from Brexit could adversely affect future migration to the region and also impact on those who have already settled.

To address the current and future challenges in the labour market, and to make the most of the region’s strengths SDS is working in partnership with others on a range of actions. The college regions of Glasgow, Lanarkshire and West together make up the Glasgow City Region.
The Glasgow City Region Partnership was established in 2018 and brings together senior representatives from the UK and Scottish Governments and business with the chief executives from SDS, Scottish Enterprise and the eight local authorities within the City Region. The Partnership provides leadership and governance for City Region strategies and their delivery.

Two major sub-committees of the partnership inform the City Region’s approach to education and skills:

- The West Partnership is Glasgow City Region’s Education Improvement Collaborative. It brings together the eight directors of education from across the City Region. Its initial focus is on improvement, early learning and childcare, and the learner journey.

- Glasgow City Region’s Economic Delivery Group brings together the Scottish Government and its enterprise and skills agencies with the eight directors of economic development from across the City Region. It is responsible for the development and implementation of the regional economic strategy.

There are also eight City Region portfolio groups which develop regional policy approaches around specific subjects of particular interest to the City Region. The Skills and Employment Portfolio Group brings together skills and employability leads from across the eight local authorities with SDS, the West Partnership, college representatives and the Department for Work and Pensions (DWP). This group has developed, and will monitor progress on, the Glasgow City Region Skills Investment Plan.

There are Community Planning Partnerships in each of the local authority areas – East Renfrewshire, Inverclyde, Renfrewshire and West Dunbartonshire – which seek to address local Outcome Improvement Plans.

The development of the economic strategy in Renfrewshire is overseen by the Renfrewshire Economic Leadership Panel.

The Glasgow City Region Economic Strategy and Action Plan was published in 2017 with a vision for 2035 of:

“A strong, inclusive, competitive and outward-looking economy, sustaining growth and prosperity with every person and business reaching their full potential”

There are 11 objectives contributing to delivering this ambition ranging from talent attraction and skills supply through to supporting business growth and inward investment.

Progress on the strategy will be reported to the Glasgow City Region Partnership early in 2020.

An updated Glasgow City Region Skills Investment Plan was published in 2019 and launched by the Minister for Public Finance and the Digital Economy.

Its mission for 2035 is:

“To create a skills system which underpins a strong, inclusive, competitive and outward-looking economy (which will be) agile and resilient, adapting to challenges and opportunities emerging from global technological and economic trends”

The six strategic outcomes are:

- City Region alignment and working across education and skills bodies and geographies in the norm for skills planning, investment and provision;
- Reduce percentage of employers reporting skill shortages and skill gaps;
- Reduce percentage of working age population with no qualifications; and/or economically inactive due to health or disability to below Scottish average;
Conclusion

- Increase productivity; increase job density; increase percentage of standard jobs; increase average earnings above Scottish average;
- Reduce inequalities in pay and employment access by gender, disability, ethnicity, care experience and other protected characteristics to below Scottish average; and
- Halve gaps in education, skills and employment outcomes between SIMD10 and Glasgow City Region average.

Progress on the Regional Skills Investment Plan will be reported annually to the Glasgow City Region Partnership.

Renfrewshire published a refreshed economic strategy in September 2019 with a complementary skills plan is due to be published in December 2019.

Glasgow City Region is one of Scotland’s economic powerhouses, it is home to one third of Scotland’s people and accounts for almost one third of Scotland’s economic output. Not all parts of the City Region are currently benefitting equally however. One of the challenges of inclusive growth is to ensure that all parts of the City Region can prosper. East Renfrewshire, Inverclyde and West Dunbartonshire face particular demographic challenges.

Renfrewshire benefits from being a major logistics hub for the City Region, and the development of the Advanced Manufacturing Innovation District at Inchinnan will see major public and private sector investment in initiatives such as the National Manufacturing Institute Scotland and the Medicine Manufacturing Innovation Centre. Renfrewshire is also investing in its cultural heritage to continue the local growth of creative industries, tourism and digital technologies.

Skills Alignment will see the skills system across the West Region become even more responsive to industry needs, with changes to curriculum that can both meet the needs of those parts of the economy that are growing, but which can also respond to the challenges of upskilling and reskilling that can support inclusive economic growth.

Contact Us: If you have any feedback or comments on this report, please email rsa@sds.co.uk